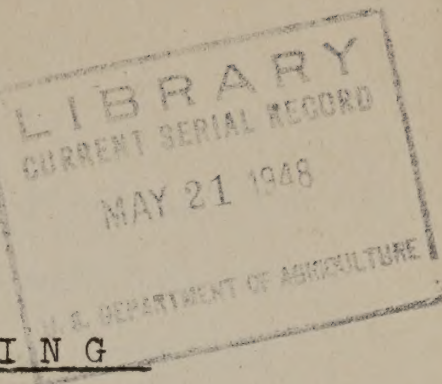


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UNITED STATES DEPARTMENT OF AGRICULTURE  
PRODUCTION AND MARKETING ADMINISTRATION  
INFORMATION BRANCH  
641 WASHINGTON ST., RM. 956  
NEW YORK 14, N.Y.



A G R I C U L T U R A L                      M A R K E T I N G

(Script No. 22.....For Use During The Period  
April 12--25, 1948)

PART I: ----- MARKETING AGREEMENTS FOR FRUITS AND VEGETABLES  
(PP 1-9)

PART II: ----- FRUIT AND VEGETABLE MARKET NEWS SERVICE (PP 9-16)

PART I: ----- MARKETING AGREEMENTS FOR FRUITS AND VEGETABLES  
(7½ minutes)

ANNOUNCER: The marketing of America's food is of direct concern to everyone -- farmer, distributor, and consumer.

Today, Station \_\_\_\_\_ presents another in a series of broadcasts designed to tell farm and city people more about the latest developments in the field of agricultural marketing... During the last year or two there has been a great deal of interest in marketing agreements for certain fruits and vegetables. In this part of the country this interest has been heightened by the fact that a hearing will be held in Maine on a proposed marketing agreement program for potatoes.

So we've asked to our studios today \_\_\_\_\_, of the Production and Marketing Administration. That's the agency in the U. S. Department of Agriculture which helps set up these programs, so \_\_\_\_\_ should be able to tell us how these marketing agreements fit into the overall farm marketing picture. The proposed potato agreement in Maine will be the first of its kind in this part of the country, won't it, \_\_\_\_\_?



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, D. C. 20535  
JANUARY 10, 1962  
MEMORANDUM

TO : DIRECTOR, FBI (100-371097)

FROM : SAC, NEW YORK (100-100000)

SUBJECT: [Illegible]

RE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

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13. [Illegible]

14. [Illegible]

15. [Illegible]

16. [Illegible]

17. [Illegible]

18. [Illegible]



PMA: I believe it will, \_\_\_\_\_. That is, it will be the first if it is adopted. You know, of course, the hearing which has been set for April 26 will be only the first step toward the setting up of a marketing agreement and order program for Irish potatoes in that State.

ANN: Well, ~~since~~ we haven't had any first-hand experience with marketing agreements on truck crops in this part of the country let's start at the beginning and make sure that all our listeners are familiar with what a marketing agreement is and what it is intended to do.

PMA: Good idea, \_\_\_\_\_. As you probably know, the marketing agreement program was first developed in the Triple-A Act of 1933. However, the present authority for all marketing agreements and orders is contained in the Agricultural Marketing Agreement Act of 1937. This Act was amended and broadened somewhat by Congress last year.

ANN: You talk about marketing agreements and marketing orders. Are they the same thing, or is there a difference between them?







PMA: They aren't exactly the same, \_\_\_\_\_. The Marketing Agreement Act gives the Secretary of Agriculture the power to enter into a marketing agreement with processors, producers, associations of producers, and others who are engaged in the handling of any farm commodity. In actual practice, though, there are no teeth in a marketing agreement unless it is backed up by an order. This order is binding on all handlers of the commodity in the regulated area. And the Act limits the issuance of marketing orders to milk and dairy products, most fresh fruits and vegetables, tobacco, soybeans, and a few special crops.

ANN: Let's look for a moment at the reasons for setting up a marketing agreement program on any particular crop.

PMA: The best thing to do is to repeat <sup>the</sup> policy which Congress stated when it passed the 1937 Act. At that time it said that marketing agreements were authorized in order to establish and maintain the kind of marketing conditions which would insure returns to farmers around the parity level.

ANN: When you talk about setting up more orderly marketing conditions the first thing that comes to mind is the prevention of surpluses and market gluts.



1. The first part of the report is devoted to a general survey of the situation in the country.

2. The second part of the report is devoted to a detailed analysis of the economic situation.

3. The third part of the report is devoted to a detailed analysis of the social situation.

4. The fourth part of the report is devoted to a detailed analysis of the political situation.

5. The fifth part of the report is devoted to a detailed analysis of the cultural situation.

6. The sixth part of the report is devoted to a detailed analysis of the international situation.

7. The seventh part of the report is devoted to a detailed analysis of the military situation.

8. The eighth part of the report is devoted to a detailed analysis of the diplomatic situation.

9. The ninth part of the report is devoted to a detailed analysis of the judicial situation.

10. The tenth part of the report is devoted to a detailed analysis of the administrative situation.

11. The eleventh part of the report is devoted to a detailed analysis of the financial situation.

12. The twelfth part of the report is devoted to a detailed analysis of the educational situation.

13. The thirteenth part of the report is devoted to a detailed analysis of the health situation.

14. The fourteenth part of the report is devoted to a detailed analysis of the labor situation.

15. The fifteenth part of the report is devoted to a detailed analysis of the housing situation.

16. The sixteenth part of the report is devoted to a detailed analysis of the food situation.

17. The seventeenth part of the report is devoted to a detailed analysis of the clothing situation.

18. The eighteenth part of the report is devoted to a detailed analysis of the transportation situation.

19. The nineteenth part of the report is devoted to a detailed analysis of the communication situation.

20. The twentieth part of the report is devoted to a detailed analysis of the energy situation.

21. The twenty-first part of the report is devoted to a detailed analysis of the environment situation.

22. The twenty-second part of the report is devoted to a detailed analysis of the science situation.

23. The twenty-third part of the report is devoted to a detailed analysis of the arts situation.

24. The twenty-fourth part of the report is devoted to a detailed analysis of the sports situation.

25. The twenty-fifth part of the report is devoted to a detailed analysis of the leisure situation.



PMA: I suppose that's true, \_\_\_\_\_. The word surplus, of course, has a pretty ugly sound. Farmers don't like surpluses because they mean collapsing markets. And consumers generally recognize that, while a glutted market and ruinous prices to farmers may help their food budgets for a short time, in the long run chaotic economic conditions on the farm will hurt their standard of living too.

ANN: I guess that from this long range point of view the interests of farmers and consumers are pretty much the same. Neither one of them want conditions like we had back in the early Thirties. But aside from a general price collapse like that there is still some conflict of interest. Farmers, like all other business men, want to sell what they produce at the best possible price. And consumers naturally want to buy their food at the lowest possible price. How do these marketing agreements and orders steer a middle course between these conflicting interests?

PMA: The idea behind them is to achieve a balance between  
supplies and demand...

ANN: By regulating the amount and kind of produce which comes to market, is that it?







PMA: Exactly. Farmers recognize that a surplus -- whether of potatoes, or peaches, or oranges, or tobacco -- is usually made up of all qualities. When a market is glutted you find not only the top grades but all classes -- sometimes right down to the culls. So a marketing agreement program seeks to keep out of distribution channels part or all of the low-quality merchandise, usually by placing grade and size limitations on what can be marketed. The idea is to make attractive merchandise available to the consumer at a price which will bring a fair return to the farmer.

ANN: And I imagine that the volume restrictions usually contained in marketing agreements for fruits and vegetables have much the same objective.

PMA: Yes, by limiting shipments to about what the market can absorb, produce is kept moving... spoilage is reduced and the result is a better product for the consumer.

ANN: I recall that you said a little while ago that the object of these marketing agreements was to set farm prices at about the parity level. I know that in the case of milk marketing orders the actual prices which producers receive are determined. Is that done in the case of fruits and vegetables too?



... of potatoes, or garden, or kitchen, or ...  
usually made up of all qualities. When a market is  
glutted you find not only the top grades but all classes  
-- sometimes right down to the cellar. In a market  
certainly no one seems to keep out of distribution  
themselves part or all of the low-quality merchandise.  
usually by piling it up and also sometimes by  
not being noticed. The idea is to make a market  
available to the consumer at a price which  
will bring a fair return to the farmer.

And I believe that the volume of production usually  
contained in marketing agencies for fruits and  
vegetables is not the same as for other products.  
Yes, of course, it is to be sold, but the market is  
small, and the volume is small. ... is to be sold  
and the result is a better price for the consumer.

I will not say that a little while ago that the  
object of some marketing agencies was to get the  
product at about the parity level. I know that in the  
case of all marketing agencies the price level which  
is to be reached is determined. It has been in the  
case of fruits and vegetables too.



PMA: No. There are several differences in the way marketing agreements work for milk and dairy products and the way they operate for fruits and vegetables. The price angle is one of them. The law ~~doesn't~~ allow actual price-setting in connection with fruit and vegetable marketing agreements, although the quality and volume restrictions are designed to insure a fair return to the producer.

ANN: I wonder if you can give us a brief summary of the steps involved in setting up and administering a marketing agreement program for fruits and vegetables, \_\_\_\_\_.

PMA: It's a pretty complicated procedure, \_\_\_\_\_, and I won't have time to do more than outline it. Usually the producers in a certain area will get together and ask the Department of Agriculture to set up a marketing agreement for a certain crop. Then a public hearing is held at which all interested persons -- producers, handlers, and the general public -- can give their views on the proposed agreement. After this public hearing has been held and time has been allowed for any written ~~arguments~~ to be presented, the Department digests all the evidence presented and prepares a report.

ANN: That doesn't permit anyone to make a snap judgement on the merits of the agreement.







PMA: Every agreement is very carefully considered before it becomes effective. Even after this first Department report is issued a period of time is allowed for anyone who wishes to file an exception to it. Only after that does the Secretary of Agriculture file his decision on the terms and provisions of the proposed order. Then the order must be submitted to growers and handlers to get their OK or their disapproval. It can't be issued unless at least two-thirds of the growers involved vote for it.

ANN: How about handlers?

PMA: At least half the handlers must sign the agreement before the order is effective. However, if it has enough votes from growers, the Secretary may still issue the marketing order... with the approval of the President... even if half of the growers don't vote for it.

ANN: And when the order is finally issued it is binding on everyone concerned... Now, how are these orders and agreements administered for fruits and vegetables? Is an administrator appointed, as in the case of milk orders?





PMA: No. In the case of fruits and vegetables and the specialty crops which are eligible for marketing agreements and order programs, the order is run by a committee of growers and handlers which is appointed by the Secretary from a group nominated by the industry. In all cases the costs involved in administering the program are borne by the members of the industry involved. The agreement itself remains in effect until a majority of the producers ask that it be ended and the Secretary issues an order to that effect.

ANN: Would you say, \_\_\_\_\_, that our experience so far indicates that marketing agreements for fruits and vegetables are worthwhile marketing devices?

PMA: I don't think there is any simple answer to that, \_\_\_\_\_. There are many strong arguments which can be made both for and against the establishment of any particular marketing agreement. That is why no order is ever issued unless the industry itself is in favor of it. It's certainly true that marketing agreements are not practicable everywhere and for every type of produce. And even where they are operating successfully they can't cure all the marketing problems of the fruit and vegetable industry. But when we look at the important role which these agreements are playing in some of the important

fruit and vegetable producing areas of the country, I think we can safely say that this type of program is an important part of a sound, stable food marketing structure...







(USE FOLLOWING CLOSE IF PART I IS USED AS A SEPARATE SCRIPT.)

ANN: Well, thank you, \_\_\_\_\_ of the  
Production and Marketing Administration  
for this informative discussion of fruit  
and vegetable marketing agreements... Friends,  
you have been listening to another of Station  
\_\_\_\_\_ 's public service broadcasts on  
agricultural marketing, brought to you with  
the cooperation of the United States  
Department of Agriculture.

PART II: ----- FRUIT AND VEGETABLE MARKET NEWS SERVICE  
(7½ minutes)

(USE FOLLOWING INTRODUCTION IF PART II IS USED AS A SEPARATE SCRIPT.)

ANN: The marketing of America's food is of direct concern  
to everyone... farmer, distributor, and consumer.  
Today Station \_\_\_\_\_ presents another in a series  
of broadcasts designed to tell farm and city people  
more about the latest developments in the field of  
agricultural marketing... With us in the studio today  
is a man who is an old friend of many of our listeners,  
\_\_\_\_\_, of the Production and Marketing  
Administration...



THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY

OF THE UNITED STATES

AND TERRITORIES

OF THE NORTH AMERICAN

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OF THE NORTH AMERICAN

PEOPLE

ANN: ...There are a great many problems involved in smoothing out the ups and downs in prices and supplies on produce markets. And one important aid to orderly marketing is full and accurate information about all trends and changes in market conditions. That's where the U. S. Department of Agriculture's Market News Service for fruits and vegetables plays a very important role in our modern food marketing structure. With farmers in this part of the country getting set for another big fruit and truck crop season in 1948, I think it would be timely, \_\_\_\_\_, to talk for a few minutes about how this service works. First of all, just how long have we had fruit and vegetable market reports?

PMA: They've been issued for over thirty years now, \_\_\_\_\_. Some of the "old-timers" among our listeners will probably remember that reports on principal fruit and vegetable markets were first put out by the Market News Service back in 1915.

ANN: I'll bet the coverage wasn't nearly as complete in those days as it is today.

PMA: Well, it was a pretty good start but the service naturally wasn't what it is today. At the beginning the reports covered only a few seasonal commodities -- apples, peaches, pears, canteloups, strawberries, and tomatoes.





ANN: I suppose that the growth of the market news reporting system gives us a fairly good indication of the way fruits and vegetables have gained in importance in our marketing structure during these thirty-odd years.

PMA: Very true, \_\_\_\_\_. It wasn't so long ago that trade in fresh produce was pretty much limited to the vicinity of growing areas. But, as refrigeration, transportation, and handling methods improved, new growing areas in various parts of the country were developed. Fruits and vegetables began to be available the year round and the trading areas for these perishable foods were greatly expanded.

ANN: And that in turn led to the need for accurate and up-to-the-minute information about market supplies, prices, and trends.

PMA: Sure. Without this unbiased market information we had situations where one city would have a glut of a particular item, like snap beans, while in other markets supplies would be very tight and prices high. And a few unscrupulous operators were able to take advantage of this situation by getting out false stories about supplies and prices. It was to meet the needs of growers and dealers operating at considerable distances from one another that the Market News Service was established.





ANN: Just how extensive is this service today, \_\_\_\_\_?

PMA: Nowadays the fruit and vegetable Market News Service operates out of 21 permanent offices in principal terminal markets and about 40 shipping point offices which are open for a few weeks or months out of the year for special crops. Many of these offices are operated jointly by the Federal Government and the States. And, of course, these reports are supplemented in many cases by local market news reports put out by the State departments of agriculture.

ANN: Up here in the Northeast these permanent offices include Baltimore, Boston, New York and Philadelphia, I believe...

PMA: ...and Pittsburgh, too. There are also a few seasonal offices in this area. There's one in Martinsburg, West Virginia, for example, that furnishes shipping point reports on apples and peaches in the fall. Then there's one in Presque Isle -- up in the heart of the Maine potato growing country -- which covers the potato deal in that area between September and May. And there's another in Rochester, New York which reports on general fruit and vegetable shipments during most of the year with the exception of about three summer months.



Robert Solovay, chief of William's research group,

ANN: That seems to offer growers and wholesalers fairly complete coverage. It must keep the market reporters pretty busy... not only gathering all the information about prices, supplies, shipments, and so on... but also getting it out to the public while it's still hot.

PMA: Well, it's certainly a task that requires a lot of training and a thorough knowledge of the produce business. These market reporters are the "eyes and ears" of the fruit and vegetable industry. They've got to adapt their hours and methods to fit the markets they cover. When a fellow is covering the terminal market in a big city, for example, it may mean being on the job before dawn in order to observe the trading down in "Produce Row".

ANN: What does the reporter look for on the market?

PMA: During the period of active trading he watches the volume and quality of the merchandise that's being offered. He talks with sellers and buyers as the trading progresses. By close personal contact with all persons in the market during the actual period when the stuff is traded he's able to get the latest information on demand, movement, market trends, and detailed prices on the various items being traded.

ANN: How about the shipping point reporter?





PMA: His job also demands a pretty thorough coverage of what happens to the commodities he's concerned with. All day long the man has to be in contact with farmers, shippers, and all handlers of the crop in the local area. That way he gets a full picture of how much and what kind of merchandise is being loaded, what the demand is, where the shipments are going, market trends, and prices. He weighs all that information together with the effect of the weather on the crop and the market, so that when he gets through he's got a complete picture of the market conditions in the producing and shipping area he's covering.

ANN: It would seem, from what you've said, that a whole lot depends on the cooperation and reliability of the contacts which a reporter has.

PMA: That's very important, and I think most people in the trade recognize that too. You can easily see how valuable a complete and accurate report can be to a person trading on the market. And an inaccurate report is not only misleading but it can often cause traders to lose a lot of money. So for this reason the major part of the industry has been unusually helpful and its cooperation has been a big factor in making the reports as unbiased and complete as they are. And this cooperation comes not only from the people who are doing the actual trading and handling but from the transportation agencies as well. Railroads, truckers, and air and water transport companies supply a lot of essential information about volume of traffic, loadings, unloads, passings, and similar data.





ANN: That gives us a fairly good idea of how these reports are made up. Now suppose you tell us, \_\_\_\_\_, what happens to this information after it's collected?

PMA: Let's follow the reporter back to his office -- or to his hotel room, in the case of some of the smaller seasonal offices. He usually has a little black book containing all the information that has been shouted at him from across the trading floor, or that he has noted down from personal observation. This all has to be sorted out and evaluated and put together almost like a jig saw puzzle. That's where a reporter's training and experience pays off. When all his information has been put together into a meaningful picture he sits down and writes his report.

ANN: And how is it distributed so that it will do the most good to farmers, dealers and consumers?

PMA: Well the most complete report which the reporters issue is a mimeographed one which is mailed to those who need this highly detailed market information. From the terminal markets this report includes a full account of prices and market conditions, carlot and truck receipts, and so on. The reports from shipping points are similar, except that they show volume of shipments instead of receipts.







ANN: I know that some of these reports get out a lot faster than they could by mail, because very often radio stations broadcast them and newspapers print them within a very short time after they have been collected. ((For example, this station regularly carries (ad lib a summary of reports carried on your station).))

PMA: That's right, \_\_\_\_\_. Because so many people are vitally interested in these reports many newspapers and radio stations try to get this information to them as soon as possible. They get these reports by phone, or telegraph, or by special messenger. Often they obtain an early flash from the market reporter before the day's trading is completed. In that way farmers and others who are interested can get an accurate estimate of how the market is going and plan their operations accordingly. As you probably know, most of the fruit and vegetable market news offices are connected with one another by a leased wire teletype so that every market report can be compared with reports from other parts of the country.

ANN: It's easy to see, \_\_\_\_\_, how this vast network of accurate market news reporting can be of tremendous help to all growers and traders in fruits and vegetables. And not only because they get out accurate information from day-to-day, but because they provide the basis for watching long-term trends in the industry... Thanks very much for being with us today, \_\_\_\_\_ of the Production and Marketing Administration on another of Station \_\_\_\_\_'s public service broadcasts on agricultural marketing. This program has been brought to you with the cooperation of the Production and Marketing Administration, United States Department of Agriculture.

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